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Goodwin Procter LLP Attn: Patent Administrator 135 Commonwealth Drive Menlo Park, CA 94025-1105			GARTLAND, SCOTT D	
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Please find below and/or attached an Office communication concerning this application or proceeding.

The time period for reply, if any, is set in the attached communication.

Office Action Summary

Application No.

10/668,689

Applicant(s)

PEARSON, MARK

Examiner

SCOTT D. GARTLAND

Art Unit

3622

-- The MAILING DATE of this communication appears on the cover sheet with the correspondence address --
Period for Reply

A SHORTENED STATUTORY PERIOD FOR REPLY IS SET TO EXPIRE 3 MONTH(S) OR THIRTY (30) DAYS, WHICHEVER IS LONGER, FROM THE MAILING DATE OF THIS COMMUNICATION.

- Extensions of time may be available under the provisions of 37 CFR 1.136(a). In no event, however, may a reply be timely filed after SIX (6) MONTHS from the mailing date of this communication.
- If NO period for reply is specified above, the maximum statutory period will apply and will expire SIX (6) MONTHS from the mailing date of this communication.
- Failure to reply within the set or extended period for reply will, by statute, cause the application to become ABANDONED (35 U.S.C. § 133). Any reply received by the Office later than three months after the mailing date of this communication, even if timely filed, may reduce any earned patent term adjustment. See 37 CFR 1.704(b).

Status

- 1) ☒ Responsive to communication(s) filed on 17 December 2009.
- 2a) ☐ This action is **FINAL**. 2b) ☒ This action is non-final.
- 3) ☐ Since this application is in condition for allowance except for formal matters, prosecution as to the merits is closed in accordance with the practice under *Ex parte Quayle*, 1935 C.D. 11, 453 O.G. 213.

Disposition of Claims

- 4) ☒ Claim(s) 1, 6, 7, 9-11, 13, 14, 18, 25, 27, 30-36, 39-41, 70-75, 78-83 and 88 is/are pending in the application.
- 4a) Of the above claim(s) 13 is/are withdrawn from consideration.
- 5) ☐ Claim(s) _____ is/are allowed.
- 6) ☒ Claim(s) 1, 6, 7, 9-11, 14, 18, 25, 27, 30-36, 39-41, 70-75, 78-83 and 88 is/are rejected.
- 7) ☒ Claim(s) 70 is/are objected to.
- 8) ☐ Claim(s) _____ are subject to restriction and/or election requirement.

Application Papers

- 9) ☐ The specification is objected to by the Examiner.
- 10) ☐ The drawing(s) filed on _____ is/are: a) ☐ accepted or b) ☐ objected to by the Examiner.
Applicant may not request that any objection to the drawing(s) be held in abeyance. See 37 CFR 1.85(a).
Replacement drawing sheet(s) including the correction is required if the drawing(s) is objected to. See 37 CFR 1.121(d).
- 11) ☐ The oath or declaration is objected to by the Examiner. Note the attached Office Action or form PTO-152.

Priority under 35 U.S.C. § 119

- 12) ☐ Acknowledgment is made of a claim for foreign priority under 35 U.S.C. § 119(a)-(d) or (f).
- a) ☐ All b) ☐ Some * c) ☐ None of:
1. ☐ Certified copies of the priority documents have been received.
 2. ☐ Certified copies of the priority documents have been received in Application No. _____.
 3. ☐ Copies of the certified copies of the priority documents have been received in this National Stage application from the International Bureau (PCT Rule 17.2(a)).

* See the attached detailed Office action for a list of the certified copies not received.

Attachment(s)

- 1) ☒ Notice of References Cited (PTO-892)
- 2) ☐ Notice of Draftsperson's Patent Drawing Review (PTO-646)
- 3) ☒ Information Disclosure Statement(s) (PTO/SB/08)
Paper No(s)/Mail Date 12-17-2009
- 4) ☐ Interview Summary (PTO-413)
Paper No(s)/Mail Date _____
- 5) ☐ Notice of Informal Patent Application
- 6) ☐ Other: _____

DETAILED ACTION

Continued Examination Under 37 CFR 1.114

1. A request for continued examination under 37 CFR 1.114, including the fee set forth in 37 CFR 1.17(e), was filed in this application after final rejection. Since this application is eligible for continued examination under 37 CFR 1.114, and the fee set forth in 37 CFR 1.17(e) has been timely paid, the finality of the previous Office action has been withdrawn pursuant to 37 CFR 1.114. Applicant's submission filed on December 17, 2009 has been entered.

Status

2. This Office Action is in response to the communication filed on December 17, 2009. Claims 2-5, 8, 12, 15-17, 19-24, 26, 28-29, 37-38, 42-69, 76-77, 84-87, and 89-97 have been cancelled, claims 1, 14, and 18 have been amended, claim 13 has been withdrawn, and no claims have been added. Therefore, claims 1, 6-7, 9-11, 13-14, 18, 25, 27, 30-36, 39-41, 70-75, 78-83, and 88 are pending and claims 1, 6-7, 9-11, 14, 18, 25, 27, 30-36, 39-41, 70-75, 78-83, and 88 are presented for examination.

Response to Amendment

3. Summary of the Response to Applicant's Amendment:
 - Applicant's Terminal Disclaimers are acknowledged and have been approved; therefore the Examiner withdraws the Double Patenting rejections.

- Applicant's amendments overcome the rejections under 35 USC § 112, second paragraph, except as regarding conversion to a cash equivalent at claim 1; therefore the Examiner withdraws the rejections, while maintaining the excepted rejection.
- Applicant's amendments overcome the rejections under 35 USC § 102; therefore the Examiner withdraws the rejections and notes new grounds of rejection.

Claim Objections

4. Claim 70 is objected to because of the following informalities: although claim 70 is indicated as previously presented, there are hold-over or remaining deletions indicated by strike-through. Appropriate correction is required.

Claim Rejections - 35 USC § 112

The following is a quotation of the second paragraph of 35 U.S.C. 112:

The specification shall conclude with one or more claims particularly pointing out and distinctly claiming the subject matter which the applicant regards as his invention.

5. **Claims 1, 9-10, 14, 18, 25, and 88 are rejected under 35 U.S.C. 112, second paragraph, as being indefinite for failing to particularly point out and distinctly claim the subject matter which applicant regards as the invention.**

Claim 1 recites points that are not convertible to cash or a cash equivalent (third element, item b); however, claim 1 also recites utilizing the points for a purchase (seventh element). The Examiner understands that converting points to a cash

equivalent includes 1) purchasing by using points, 2) off-setting or discounting a purchase price by using points, and 3) using points in lieu of cash, such as by transferring a value to another user, a credit or debit card, or a monetary account. As such, the Examiner understands the points are converted to cash equivalent based, at least, on being used for purchasing. Therefore the Examiner is uncertain if the points are convertible to a cash equivalent or not. For examination purposes, the Examiner will interpret this to mean that the points are convertible. Please also see the note regarding non-functional descriptive material in the prior art rejection below.

Claim 1 also recites tax free award points in the preamble, and calculating points to a member at the third element. The Examiner is uncertain whether the points calculated are the tax free award points or whether they are other, distinct points. Since the seventh element appears to indicate the points as tax free, for examination purposes, the Examiner will interpret this to mean the calculated points are the tax free points.

Claim 1 recites the limitation "the points awarded to the member" in the seventh element. There is insufficient antecedent basis for this limitation in the claim. Points are calculated at the third element, but are not recited as awarded.

Claims 9-10, 25, and 88 recite "the tax free award points", which apparently refers to the preamble recitation of claim 1, however, in conjunction with the above second rejection related to claim 1, the Examiner is uncertain if these tax free award points are the calculated or awarded points at claim1. For examination purposes, the Examiner will interpret this to mean the calculated points are the tax free points.

Claims 14 and 18 depend from claim and recite "the points"; however, the Examiner is uncertain if "the points" refers to the tax free points of the preamble, the calculated points of the third element, the awarded points of the seventh element, or the excess points of the final element. For examination purposes, and attempting to be consistent with the above rejections, the Examiner will interpret this to mean the calculated tax free points, but not the excess points.

The following is a quotation of the first paragraph of 35 U.S.C. 112:

The specification shall contain a written description of the invention, and of the manner and process of making and using it, in such full, clear, concise, and exact terms as to enable any person skilled in the art to which it pertains, or with which it is most nearly connected, to make and use the same and shall set forth the best mode contemplated by the inventor of carrying out his invention.

- 6. Claim 1 is rejected under 35 U.S.C. 112, first paragraph, as failing to comply with the written description requirement. The claim(s) contains subject matter which was not described in the specification in such a way as to reasonably convey to one skilled in the relevant art that the inventor(s), at the time the application was filed, had possession of the claimed invention.**

Claim 1 recites "tax free award points" at the preamble, but Applicant's description does not include this limitation – the only reference to "tax free" in the description is in relation to the money used for purchasing a health care plan, and then only as partially funded by tax free dollars; whereas the claim relates to wholly tax free points. As such, tax free award points are not supported by Applicant's specification. Appropriate correction is required.

Claim Rejections - 35 USC § 103

The following is a quotation of 35 U.S.C. 103(a) which forms the basis for all obviousness rejections set forth in this Office action:

(a) A patent may not be obtained though the invention is not identically disclosed or described as set forth in section 102 of this title, if the differences between the subject matter sought to be patented and the prior art are such that the subject matter as a whole would have been obvious at the time the invention was made to a person having ordinary skill in the art to which said subject matter pertains. Patentability shall not be negated by the manner in which the invention was made.

7. **Claims 1, 6-7, 9-11, 25, 27, 30, 32, 34-36, 39-41, and 88 are rejected under 35 U.S.C. 103(a) as being unpatentable over Paasche et al. (U.S. Patent No. 7,359,871, hereafter Paasche) in view of Kanter (U.S. Patent No. 5,537,314).**

Please note that, as a convenience to applicant, the Examiner has pointed out, by **bolding**, optional or intended use language, and included a note as to the ramifications of such language below.

Claim 1: Paasche discloses a method of selling health related products or services that have associated tax free award points comprising:

providing a service provider system with a web server (column:line 2:43-47; citation hereafter by number only) that has a database (2:60-63; also 40:2-9), the service provider system having members that purchase health related products and services through the service provider system (58:5-13);

enrolling applicants in the service provider system as members (2:23-36);

calculating points to a member, the points requiring characteristics of (a) being transferable by the member (33:56-57 and 67:56-58, where the Examiner notes that who the points transfer to does not alter the method being performed) to an exempt organization for use in fulfilling its exempt purpose, (b) not convertible [sic] to at least one of cash and a cash equivalent and (c) having a limited life (the Examiner notes that whether the points are tax free or have a particular status as transferable, convertible, or life-limited is nonfunctional descriptive material – describing the type of points awarded, but not altering the method being claimed; therefore little or no patentable weight can be given; see the note below for further explanation), the tax free award points being granted for point generating purchases made by a member through the service provider system that are, (i) made by the member itself through the service provider system, (ii) made by a first group of members who were referred to the service provider system by the member, and (iii) made by a second group of members who were referred to the service provider system by members in the first group of members (2:63-3:16, 31:36-40, 31:46-32:11, 33:41-57, Fig. 3);

assigning a member identifier to each member and recording the member identifier in a computer memory (49:56-50:1; also 41:65-42:1);

receiving at the service provider system, from a member purchasing an award generating product or service, a request message that contains a requested product or service item identifier and a member identifier (32:27-31 and 10:30-37); and

transmitting by the service provider system to a supplier of the requested product or service, a request for the product or service (23:44-53 and 52:24-34); and

utilizing at least a portion of the points awarded to the member for purchase of the requested product or service (24:48-67), and the points are not treated as taxable income for federal income tax purposes at the time they are awarded or used (the Examiner notes the descriptive material nature of this limitation – please see the note below and the discussion provided in the Response to Arguments below), and

Paasche, however, does not explicitly disclose limiting the maximum points that can be awarded to the member over a selected period of time by setting a cap on the points; and distributing the points that exceed the cap of the member to one or more of: members in (ii), members in (iii), and charitable organizations **so that** the exceeded points remain in a community of the service provider system. Kanter, however, teaches a maximum point amount awarded to a purchase within a multilevel marketing plan (15:53-55, 19:64-20:1, 27:33-38) and a maximum award over a time period (27:33-38), and that purchase totals, award applicable figures, and award applicable point applied balance and commission applied balances, along

with combinations, may be used to determine points, commissions, and values and the values applied to appropriate accounts, such as those of participants and sponsors (25:19-35). The Examiner understands that, if excess points are determined to be present, there are a limited number of options available for accounting for the excess: the points may be returned to the system, deleted, credited to the company providing the products or services, or distributed among participants of the system, such as upstream and downstream members of a participant's family. The Examiner understands the maximum point limit to be useful to participating providers of products and services by limiting their potential financial exposure, and the point distribution to useful to participants by rewarding their sponsored or recommended down-line. Therefore, the Examiner understands that setting a maximum point limit over a time period and distributing excess points to down-line members or charitable organizations are each one of a limited number of predictable options available for a multilevel marketing system.

Therefore it would have been obvious to one of ordinary skill in the art at the time of the invention to combine the health products multilevel marketing system of Paasche with the award limits and distributions of Kanter in order to limit the maximum award points of a time period and distributing excess points to down-line members or charitable organizations.

The rationale for combining in this manner is that setting a maximum point limit over a time period and distributing excess points to down-line members or charitable

organizations are each one of a limited number of predictable options available for a multilevel marketing system.

Claim 6: Paasche in view of Kanter discloses the method of claim 1, where Paasche discloses wherein when the member purchasing the product is part of the first group of members, then the request message includes the member identifier of the member (32:27-31 and 10:30-37).

Claim 7: Paasche in view of Kanter discloses the method of claim 1, where Paasche discloses wherein when the member purchasing the product is part of the second group of members (32:27-31 and 10:30-37), but Paasche does not explicitly disclose then the request message includes a member identifier of at least one member of the first group of members as well as the member identifier of the member. Paasche, however, teaches tracking a member's line of sponsorship (31:58-32:11), and assigning point values and business volume based on the member's personal group and those introduced into the business (31:36-45 and 33:41-57).

Therefore it would have been obvious to one of ordinary skill in the art at the time of the invention to combine the multilevel marketing service provider system of Paasche with the tracking of membership, sponsorship, introductions and reward points of Paasche in order to disclose the referring member's identifier within a purchase request message.

The rationale for combining in this manner is to improve efficiency and effectiveness in the tracking of data for the multilevel marketing system.

Claim 9: Paasche in view of Kanter discloses the method of claim 1, where Paasche discloses wherein the tax free award points are awarded at least in part based on a selling price of the purchased product or service (34:57-60; see also 31:8-9).

Claim 10: Paasche in view of Kanter discloses the method of claim 1, where Paasche discloses wherein the tax free award points are awarded electronically and stored in a database **for use for** subsequent point generating purchases (2:63-3:16).

Claim 11: Paasche in view of Kanter discloses the method of claim 1, where Paasche discloses further comprising: transmitting a business agreement which specifies the terms **for** referring customers to the service provider system (2:23-27, and 27:2-3, 28:19-20, 29:63-64, 30:19-20; the Examiner understands registration is a business agreement and the registration level dictates referral capability - Clients and Members are not permitted to refer or sponsor, Members Plus and an Independent Business Owner (IBO) are permitted to refer or sponsor).

Claim 25: Paasche in view of Kanter discloses the method of claim 1, but Paasche does not explicitly disclose wherein the tax free award points have a life of

no more than 24 months. Kanter, however, teaches a limitation on point awards in the form of a maximum value (24:33-39). The Examiner understands that limitations on points awards, such as maximum value, life span, and transferability, encourages constant activity of users so that they do not become disinterested in using the system.

Therefore it would have been obvious to one of ordinary skill in the art at the time of the invention to combine the multilevel marketing service provider system of Paasche with the maximum point allotment of Kanter in order to limit the lifetime of the points awarded to 24 months.

The rationale for combining in this manner is that both Paasche and Kanter are in the same area - multilevel marketing and rewards systems - and limiting the life span of points awarded prevents over-accumulation and encourages a frequent and constant flow of orders and activity for the system.

Claim 27: Paasche in view of Kanter discloses the method of claim 1, where Paasche discloses wherein the award generating products are selected from vitamins or nutritional supplements (58:6-29), energy/protein bars (Fig. 13c, item 1303a), health food products (58:14-17, 58:53-55, Fig. 13c, natural foods), weight loss products (58:14-17 and 58:58-61), non-prescription drugs, prescription drugs, contact lenses and associated supplies (65:24-25), dermatology/skin care products (59:4-12), oral care products, fitness products (Fig. 13d, wrist bands, head band, knee and hand straps), fitness clubs, health books (58:32-41), health and fitness

magazines (58:32-41), health insurance, wellness insurance, disability insurance, dental insurance, pet insurance, allergy and asthma products, diabetes products, addiction treatment and rehabilitation treatment centers, athletic clothing and gear, therapeutic (58:14-17) and chiropractic products, pet care and medication products, and exercise equipment.

Claim 30: Paasche in view of Kanter discloses the method of claim 1, where Paasche discloses wherein the services are banking services (68:32-38; the Examiner understands providing forms for bank drafts and deposits as one of the services banks provide).

Claim 32: Paasche in view of Kanter discloses the method of claim 1, where Paasche discloses wherein the services from a medical information website (58:32-41).

Claim 34: Paasche in view of Kanter discloses the method of claim 1, but Paasche does not explicitly disclose wherein the services are preventative care and/wellness services. The Examiner understands, however, that preventative care and wellness services are among a limited number of other examples of services related to health care and the litany of other health related information that Paasche discloses at 58:5-61.

Therefore it would have been obvious to one of ordinary skill in the art at the time of the invention to combine the multilevel marketing service provider system of Paasche with the health information, products and services of Paasche in order to provide preventative care and wellness services.

The rationale for combining in this manner is to provide comprehensive information, products and services in order to drive loyalty, usage, reliance and commitment to the online system.

Claim 35: Paasche in view of Kanter discloses the method of claim 1, but where Paasche discloses does not explicitly disclose wherein the services are a nurse hotline. The Examiner understands, however, that a nurse hotline is among a limited number of other examples of services related to health care and the litany of other health related information that Paasche discloses at 58:5-61.

Therefore it would have been obvious to one of ordinary skill in the art at the time of the invention to combine the multilevel marketing service provider system of Paasche with the health information, products and services of Paasche in order to provide access to, or listing of, a nurse hotline.

The rationale for combining in this manner is to provide comprehensive information, products and services in order to drive loyalty, usage, reliance and commitment to the online system.

Claim 36: Paasche in view of Kanter discloses the method of claim 1, but Paasche does not explicitly disclose wherein the services are health network charitable foundation services. The Examiner understands, however, that health network charitable foundation services are among a limited number of other examples of services related to health care and the litany of other health related information that Paasche discloses at 58:5-61.

Therefore it would have been obvious to one of ordinary skill in the art at the time of the invention to combine the multilevel marketing service provider system of Paasche with the health information, products and services of Paasche in order to provide health network charitable foundation services.

The rationale for combining in this manner is to provide comprehensive information, products and services in order to drive loyalty, usage, reliance and commitment to the online system.

Claim 39: Paasche in view of Kanter discloses the method of claim 1, where Paasche discloses wherein the service provider system includes a **browsable** catalog of products and services (2:63-3:16).

Claim 40: Paasche in view of Kanter discloses the method of claim 1, where Paasche discloses further comprising:

assigning to a member a debit or credit card **for** selected members **for** point generating purchases through the service provider system (49:38-41, and 68:43-48;

the Examiner notes that the claim phrasing does not require the inventive system to assign the card, it just must be assigned by some entity).

Claim 41: Paasche in view of Kanter discloses the method of claim 40, but Paasche does not explicitly disclose wherein the service provider system receives a portion of a debit or credit card fee associated with using the debit or credit card for point generating purchases made through the service provider system. Paasche, however, teaches on-line application for a credit card through the invention (68:43-48), and the Examiner notes understanding that credit cards may include fees that flow to the merchant, especially if the merchant is the card issuer, as Paasche indicates as permissible.

Therefore it would have been obvious to one of ordinary skill in the art at the time of the invention to combine the multilevel marketing service provider system of Paasche with the credit card application of Paasche in order to have the provider system receive a portion of debit or credit card fees.

The rationale for combining in this manner is that the system, as with any business, would desire extra profitability in the form of extra fees whenever permissible and acceptable.

Claim 88: Paasche in view of Kanter discloses the method of claim 1, but Paasche does not explicitly disclose wherein the amount of tax free award points awarded to a member of a related member group is insufficient tax free award points

to required filling of a 1099 form with the IRS. The Examiner understands, however, that the amount of points awarded to members in (ii) or (iii) is a design choice with a limited number of potential options: the system can have a mandated pre-set number of points to be allotted, or the system can have a variable calculation of allotted points where the calculation is based on factors, or the system can allow the member to elect the number of points allotted. The Examiner further understands that limiting the points award, so as to not require the filing of a 1099 form with the IRS, allows the transfer of points without incurring taxation losses and tracking costs.

Therefore it would have been obvious to one of ordinary skill in the art at the time of the invention to combine the multilevel marketing service provider system of Paasche with the transferring of points of Paasche in order to have a limited number of points awarded to other members, so as to not require the filing of a 1099 form with the IRS.

The rationale for combining in this manner is to encourage system activity and loyalty, to encourage others to join within a personal group by allowing a transfer of points to them, and to avoid the tracking costs and losses associated with taxation.

- 8. Claims 14, 18, 31, and 33 are rejected under 35 U.S.C. 103(a) as being unpatentable over Paasche in view of Kanter and in further view of Tooke III (U.S. Patent Application Publication No. 2002/0035529, hereafter Tooke).**

Claim 14: Paasche in view of Kanter discloses the method of claim 1, but does not explicitly disclose wherein at least a portion of the points are applied to a health savings account or a similarly approved account. Tooke, however, teaches an online health care resources management system including inserting taxable and nontaxable resources into a health savings account (paragraph 0003, citation hereafter by number only), and also that additional resources can be added to the health savings account by the consumer or by others (0005). The Examiner understands the teaching of Tooke to be modifying the product and service provision aspect of Paasche as distinct from the maximum point limitation and point distribution of Kanter.

Therefore it would have been obvious to one of ordinary skill in the art at the time of the invention to combine the multilevel marketing service provider system of Paasche with the health savings accounts and adding of resources of Tooke in order to apply awarded points to a health savings account or similarly approved account.

The rationale for combining in this manner is that both Paasche and Tooke are in the same area of online health product and service provision, and that combining enables flexible and comprehensive management and provision of all, or as near to all as possible, of a consumer's health needs and plans.

Claim 18: Paasche discloses the method of claim 1, but does not explicitly disclose wherein at least a portion of the points are applied to a health savings security account or a similarly approved account. Tooke, however, teaches an online

health care resources management system including inserting taxable and nontaxable resources into a health savings account (0003), and also that additional resources can be added to the health savings account by the consumer or by others (0005). The Examiner understands the teaching of Tooke to be modifying the product and service provision aspect of Paasche as distinct from the maximum point limitation and point distribution of Kanter.

Therefore it would have been obvious to one of ordinary skill in the art at the time of the invention to combine the multilevel marketing service provider system of Paasche with the health savings accounts and adding of resources of Tooke in order to apply awarded points to a health savings security account or similarly approved account.

The rationale for combining in this manner is that both Paasche and Tooke are in the same area of online health product and service provision, and that combining enables flexible and comprehensive management and provision of all, or as near to all as possible, of a consumer's health needs and plans.

Claim 31: Paasche discloses the method of claim 1, but does not explicitly disclose wherein the services are insurance services. Tooke, however, teaches an online health care resources management system including a health care intermediary (0019) which may in turn include an insurance provider (0036). The Examiner understands the teaching of Tooke to be modifying the product and

service provision aspect of Paasche as distinct from the maximum point limitation and point distribution of Kanter.

Therefore it would have been obvious to one of ordinary skill in the art at the time of the invention to combine the multilevel marketing service provider system of Paasche with the health care management system including an insurance provider of Tooke in order to provide insurance services.

The rationale for combining in this manner is that both Paasche and Tooke are in the same area of online health product and service provision, and that combining enables flexible and comprehensive management and provision of all, or as near to all as possible, of a consumer's health needs and plans.

Claim 33: Paasche discloses the method of claim 1, but does not explicitly disclose wherein the services are physician and hospital rating guides. Tooke, however, teaches providing accurate and timely information to the consumer, including feedback scores for health care providers (0056). The Examiner understands the teaching of Tooke to be modifying the product and service provision aspect of Paasche as distinct from the maximum point limitation and point distribution of Kanter.

Therefore it would have been obvious to one of ordinary skill in the art at the time of the invention to combine the multilevel marketing service provider system of Paasche with the feedback scores of Tooke in order to provide a guide of physician and hospital ratings.

The rationale for combining in this manner is that both Paasche and Tooke are in the same area of online health product and service provision, and that combining enables flexible and comprehensive management and provision of all, or as near to all as possible, of a consumer's health needs and plans.

9. **Claims 70-75, and 78-83 are rejected under 35 U.S.C. 103(a) as being unpatentable over Paasche in view of Kanter in view of Tooke and in further view of Annas (Annas, George J., *HIPAA Regulations - A New Era of Medical-Record Privacy?*, The New England Journal of Medicine, 348:1486-1490, April 10, 2003).**

Claim 70: Paasche in view of Tooke discloses the method of claim 1, but does not explicitly disclose wherein the service provider system includes logic that provides compliance with the Privacy Rule of the Health Insurance Portability and Accountability Act of 1996. Annas, however teaches that any electronically conducted medical business, including billing, is subject to the Health Insurance Portability and Accountability Act of 1996 (HIPAA) (pgs 1486-87, second paragraph under Principles of Privacy); the Examiner understands this to be applicable to Tooke and the instant invention. The Examiner understands the teaching of Annas to be applied to the product and service provision aspect of Paasche and Tooke, as distinct from the maximum point limitation and point distribution of Kanter.

Therefore it would have been obvious to one of ordinary skill in the art at the time of the invention to combine the multilevel marketing service provider system of Paasche with the health savings accounts of Tooke and the HIPAA regulations described in Annas in order to provide logic to comply with the Privacy Rule of HIPAA.

The rationale for combining in this manner is that both Paasche and Tooke are in the same area of online health product and service provision, and that combining with Annas would be required in order to enable viability and profit potential.

Claim 71: Paasche in view of Tooke discloses the method of claim 70, but does not explicitly disclose wherein the logic limits access to patient health information in compliance with the Privacy Rule of the Health Insurance Portability and Accountability Act of 1996. Annas, however teaches that compliance with HIPAA is required for medical information and billing (pgs 1486-87, second paragraph under Principles of Privacy). The Examiner understands the teaching of Annas to be applied to the product and service provision aspect of Paasche and Tooke, as distinct from the maximum point limitation and point distribution of Kanter.

Therefore it would have been obvious to one of ordinary skill in the art at the time of the invention to combine the multilevel marketing service provider system of Paasche with the health savings accounts of Tooke and the HIPAA regulations described in Annas in order to provide limiting logic to comply with the Privacy Rule of HIPAA.

The rationale for combining in this manner is that both Paasche and Tooke are in the same area of online health product and service provision, and that combining with Annas would be required in order to enable viability and profit potential.

Claim 72: Paasche in view of Tooke discloses the method of claim 70, but does not explicitly disclose wherein the service provider system provides an authorization for disclosure of health information of a member that uses the award points for a the health care product or service is selected from a health savings account, a health savings security account or a similarly approved account. Annas, however teaches HIPAA authorization being required to release health information (pg 1488, under Authorization to Disclose Health Information). The Examiner understands the teaching of Annas to be applied to the product and service provision aspect of Paasche and Tooke, as distinct from the maximum point limitation and point distribution of Kanter.

Therefore it would have been obvious to one of ordinary skill in the art at the time of the invention to combine the multilevel marketing service provider system of Paasche with the health savings accounts of Tooke and the HIPAA regulations described in Annas in order to provide an authorization to disclose health information under HIPAA.

The rationale for combining in this manner is that both Paasche and Tooke are in the same area of online health product and service provision, and that combining with Annas would be required in order to enable viability and profit potential.

Claim 73: Paasche in view of Tooke discloses the method of claim 70, but does not explicitly disclose wherein the service provider system transmits protected health information (PHI) HIPAA Privacy Rule in compliance with the HIPAA Privacy Rule. Annas, however teaches that transmitting individually identifiable information is subject to HIPAA (pgs 1487, third paragraph under Principles of Privacy). The Examiner understands the teaching of Annas to be applied to the product and service provision aspect of Paasche and Tooke, as distinct from the maximum point limitation and point distribution of Kanter.

Therefore it would have been obvious to one of ordinary skill in the art at the time of the invention to combine the multilevel marketing service provider system of Paasche with the health savings accounts of Tooke and the HIPAA regulations described in Annas in order to comply with the Privacy Rule of HIPAA in transmitting PHI.

The rationale for combining in this manner is that both Paasche and Tooke are in the same area of online health product and service provision, and that combining with Annas would be required in order to enable viability and profit potential.

Claim 74: Paasche in view of Tooke discloses the method of claim 72, but does not explicitly disclose wherein the authorization contains a description of the protected health information PHI. Annas, however teaches that a disclosure must contain a description of the information to be used or disclosed in order to be valid

under HIPAA (pg 1488, first paragraph under Authorization to Disclose Health Information). The Examiner understands the teaching of Annas to be applied to the product and service provision aspect of Paasche and Tooke, as distinct from the maximum point limitation and point distribution of Kanter.

Therefore it would have been obvious to one of ordinary skill in the art at the time of the invention to combine the multilevel marketing service provider system of Paasche with the health savings accounts of Tooke and the HIPAA regulations described in Annas in order to provide a description of the PHI.

The rationale for combining in this manner is that both Paasche and Tooke are in the same area of online health product and service provision, and that combining with Annas would be required in order to enable viability and profit potential.

Claim 75: Paasche in view of Tooke discloses the method of claim 74, but does not explicitly disclose wherein the authorization is written. Annas, however teaches that a copy of a valid HIPAA authorization form must be provided to the patient (pg 1488, second paragraph under Authorization to Disclose Health Information); the Examiner understands this to include a written copy. The Examiner understands the teaching of Annas to be applied to the product and service provision aspect of Paasche and Tooke, as distinct from the maximum point limitation and point distribution of Kanter.

Therefore it would have been obvious to one of ordinary skill in the art at the time of the invention to combine the multilevel marketing service provider system of

Paasche with the health savings accounts of Tooke and the HIPAA regulations described in Annas in order to provide a written authorization.

The rationale for combining in this manner is that both Paasche and Tooke are in the same area of online health product and service provision, and that combining with Annas would be required in order to enable viability and profit potential.

Claim 78: Paasche in view of Tooke discloses the method of claim 74, but does not explicitly disclose wherein the authorization contains a statement of the member's right to revoke the authorization. Annas, however teaches that a disclosure must contain a description of the right to revoke to be valid under HIPAA (pg 1488, second paragraph under Authorization to Disclose Health Information). The Examiner understands the teaching of Annas to be applied to the product and service provision aspect of Paasche and Tooke, as distinct from the maximum point limitation and point distribution of Kanter.

Therefore it would have been obvious to one of ordinary skill in the art at the time of the invention to combine the multilevel marketing service provider system of Paasche with the health savings accounts of Tooke and the HIPAA regulations described in Annas in order to provide a description of the right to revoke the authorization.

The rationale for combining in this manner is that both Paasche and Tooke are in the same area of online health product and service provision, and that combining with Annas would be required in order to enable viability and profit potential.

Claim 79: Paasche in view of Tooke discloses the method of claim 74, but does not explicitly disclose wherein the written includes a signature of the member and the date the authorization was signed. Annas, however teaches that a disclosure must contain a signature and date to be valid under HIPAA (pg 1488, second paragraph under Authorization to Disclose Health Information). The Examiner understands the teaching of Annas to be applied to the product and service provision aspect of Paasche and Tooke, as distinct from the maximum point limitation and point distribution of Kanter.

Therefore it would have been obvious to one of ordinary skill in the art at the time of the invention to combine the multilevel marketing service provider system of Paasche with the health savings accounts of Tooke and the HIPAA regulations described in Annas in order to include a signature and date in the authorization.

The rationale for combining in this manner is that both Paasche and Tooke are in the same area of online health product and service provision, and that combining with Annas would be required in order to enable viability and profit potential.

Claim 80: Paasche in view of Tooke discloses the method of claim 79, but does not explicitly disclose wherein the signature is an electronic signature. Annas, however teaches that a disclosure must contain a signature and date to be valid under HIPAA (pg 1488, second paragraph under Authorization to Disclose Health Information); the Examiner notes that it is old and well known that electronic

signatures are one form of generally acceptable signatures. The Examiner understands the teaching of Annas to be applied to the product and service provision aspect of Paasche and Tooke, as distinct from the maximum point limitation and point distribution of Kanter.

Therefore it would have been obvious to one of ordinary skill in the art at the time of the invention to combine the multilevel marketing service provider system of Paasche with the health savings accounts of Tooke and the HIPAA regulations described in Annas in order to include electronic signature in the authorization.

The rationale for combining in this manner is that both Paasche and Tooke are in the same area of online health product and service provision, and that combining with Annas would be required in order to enable viability and profit potential.

Claim 81: Paasche in view of Tooke discloses the method of claim 1, but does not explicitly disclose wherein the service provider system includes a HIPAA Compliance Committee. Annas, however teaches that HIPAA consultants have grown in number and the regulations are complex (pg 1486, third paragraph of the article), that enforcement is critical (pg 1490, under Enforcement), and that implementation is projected to be costly and inconsistent (pg 1490, under Conclusions). The Examiner understands the teaching of Annas to be applied to the product and service provision aspect of Paasche and Tooke, as distinct from the maximum point limitation and point distribution of Kanter.

Therefore it would have been obvious to one of ordinary skill in the art at the time of the invention to combine the multilevel marketing service provider system of Paasche with the health savings accounts of Tooke and the HIPAA regulations described in Annas in order to include a HIPAA Compliance Committee.

The rationale for combining in this manner is that both Paasche and Tooke are in the same area of online health product and service provision, and that combining with Annas would be required in order to enable viability and profit potential.

Claim 82: Paasche in view of Tooke discloses the method of claim 1, but does not explicitly disclose further comprising: advising members of rights to privacy under HIPPA Privacy Rule. Annas, however teaches providing all patients with a privacy notice under HIPAA (pg 1487, first paragraph under The Privacy Notice). The Examiner understands the teaching of Annas to be applied to the product and service provision aspect of Paasche and Tooke, as distinct from the maximum point limitation and point distribution of Kanter.

Therefore it would have been obvious to one of ordinary skill in the art at the time of the invention to combine the multilevel marketing service provider system of Paasche with the health savings accounts of Tooke and the HIPAA regulations described in Annas in order to advise members of privacy rights.

The rationale for combining in this manner is that both Paasche and Tooke are in the same area of online health product and service provision, and that combining with Annas would be required in order to enable viability and profit potential.

Claim 83: Paasche in view of Tooke discloses the method of claim 1, but does not explicitly disclose further comprising: preparing an NPP in compliance with the HIPPA Privacy Rule. Annas, however teaches providing all patients with a written "notice of privacy practices" under HIPAA (pg 1487, first paragraph under The Privacy Notice). The Examiner understands the teaching of Annas to be applied to the product and service provision aspect of Paasche and Tooke, as distinct from the maximum point limitation and point distribution of Kanter.

Therefore it would have been obvious to one of ordinary skill in the art at the time of the invention to combine the multilevel marketing service provider system of Paasche with the health savings accounts of Tooke and the HIPAA regulations described in Annas in order to provide a notice of privacy practices.

The rationale for combining in this manner is that both Paasche and Tooke are in the same area of online health product and service provision, and that combining with Annas would be required in order to enable viability and profit potential.

10. A recitation of the intended use of the claimed invention must result in a structural difference between the claimed invention and the prior art in order to patentably distinguish the claimed invention from the prior art. If the prior art structure is capable of performing the intended use, it meets the claim. See *e.g. In re Collier*, 158 USPQ 266, 267 (CCPA 1968) (where the court interpreted the claimed phrase "a connector member for engaging shield means" and held that the

shield means was not a positive element of the claim since "[t]here is no positive inclusion of 'shield means' in what is apparently intended to be a claim to structure consisting of a combination of elements" and where the court interpreted the claimed phrase "said ferrule-forming member being crimpable onto said shield means" and held that the shield means was not a positive element of the claim since "[t]here is no positive inclusion of 'shield means' in what is apparently intended to be a claim to structure consisting of a combination of elements.... "[t]he ferrule or connector member is crimpable but not required, structurally, to be crimped These cannot be regarded as structural limitations and therefore not as positive limitations in a claim directed to structure. They cannot therefore be relied on to distinguish from the prior art.")

The Examiner has analyzed the claim language and phrasing as indicated by the **bold** sections or words above, and determined that the phrasing following the **bolded** word(s) is not required due to the terminology being optional or intended use or expected results, in conformity with MPEP § 2111.04.

11. When presented with a claim comprising descriptive material, an Examiner must determine whether the claimed nonfunctional descriptive material should be given patentable weight. The Patent and Trademark Office (PTO) must consider all claim limitations when determining patentability of an invention over the prior art. *In re Gulack*, 703 F.2d 1381, 1385, 217 USPQ 401,404 (Fed. Cir. 1983). The PTO may not disregard claim limitations comprised of printed matter. *See Gulack*, 703 F.2d at

1384-85,217 USPQ at 403; *see also Diamond v. Diehr*, 450 U.S. 175, 191,209 USPQ 1, 10 (1981). However, the examiner need not give patentable weight to descriptive material absent a new and unobvious functional relationship between the descriptive material and the substrate. See *In re Lowry*, 32 F.3d 1579, 1583-84, 32 USPQ2d 1031, 1035 (Fed. Cir. 1994); *In re Ngai*, 367 F.3d 1336, 1338, 70 USPQ2d 1862, 1863-64 (Fed. Cir. 2004). Thus, when the prior art describes all the claimed structural and functional relationships between the descriptive material and the substrate, but the prior art describes a different descriptive material than the claim, then the descriptive material is nonfunctional and will not be given any patentable weight. That is, such a scenario presents no new and unobvious functional relationship between the descriptive material and the substrate.

The Examiner asserts, for example, that the data regarding "points requiring characteristics of (a) being transferable by the member to an exempt organization for use in fulfilling its exempt purpose, (b) not convertible to at least one of cash and a cash equivalent and (c) having a limited life" adds little, if anything, to the claimed acts or steps and thus do not serve as limitations on the claims to distinguish over the prior art. Any differences related merely to the meaning and information conveyed through data which does not explicitly alter or impact the steps is non-functional descriptive data. Except for the meaning to the human mind, the data regarding "points requiring characteristics of (a) being transferable by the member to an exempt organization for use in fulfilling its exempt purpose, (b) not convertible to at least one of cash and a cash equivalent and (c) having a limited life" does not

functionally relate to the substrate and thus does not change the steps of the method as claimed.

Response to Arguments

12. Applicant's arguments filed October 19, 2009 have been fully considered but they are not persuasive.

Applicant first argues in relation to the rejections under 35 USC § 112, at point 3, pages 8-9, that "by definition, cash equivalent means asset that can be easily converted to cash"; however, the Examiner notes that this definition would apply to cash conversion rather than a cash equivalent. A cash equivalent would be the equivalent to cash, but not necessarily actually converted to cash – please see the attached definition from the Free Dictionary (Cash Equivalent definition, the Free Dictionary, as cited from Scott, David L., Wall Street Words: An A to Z Guide to Investment Terms for Today's Investor, Houghton Mifflin Company, Copyright 2003, downloaded 1-6-2010 from <http://financial-dictionary.thefreedictionary.com/cash+equivalent>) indicating such a meaning, especially definition 1 at the top section. Therefore the Examiner is not persuaded by Applicant's argument.

Applicant next argues, in the same section at point 5, page 9, that the object(s) of an action step in a method claim may carry patentable weight, and, apparently, that since the IRS ruling (which the Examiner notes does not appear to be attached as indicated) indicates what comprises tax free status, patentable weight should be

granted. The Examiner notes, however, that since the tax free status is solely decided by the IRS, and the IRS may at any time change what constitutes a tax free status, the IRS as a third party would effectively have the power to change the scope of the claim; therefore a claim or limitation that may change scope based on a third party determination, such as by the IRS, is inherently indefinite – one can not determine what the scope or potential scope may be in the future, even if one could determine it as of the asserted 2004 IRS ruling. Therefore little or no patentable weight may be granted to the limitation.

13. Applicant's arguments with respect to claims rejected under 35 USC §§ 102 and 103 have been considered but are moot in view of the new ground(s) of rejection. Applicant argues the final elements of claim 1 as added by amendment, which necessitates new grounds of rejection under 35 USC § 103 for claim 1. Please see the current rejections above.

Conclusion

14. Any inquiry concerning this communication or earlier communications from the examiner should be directed to SCOTT D. GARTLAND whose telephone number is 571-270-5501. The examiner can normally be reached on 7:30-6:00 EST Monday to Thursday.

If attempts to reach the examiner by telephone are unsuccessful, the examiner's supervisor, Eric Stamber can be reached on 571-272-6724. The fax phone number

for the organization where this application or proceeding is assigned is 571-273-8300.

Information regarding the status of an application may be obtained from the Patent Application Information Retrieval (PAIR) system. Status information for published applications may be obtained from either Private PAIR or Public PAIR. Status information for unpublished applications is available through Private PAIR only. For more information about the PAIR system, see <http://pair-direct.uspto.gov>. Should you have questions on access to the Private PAIR system, contact the Electronic Business Center (EBC) at 866-217-9197 (toll-free). If you would like assistance from a USPTO Customer Service Representative or access to the automated information system, call 800-786-9199 (IN USA OR CANADA) or 571-272-1000.

/S. D. G./
Examiner, Art Unit 3622

/John Van Bramer/
John Van Bramer
Examiner, Art Unit 3622